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DEPARTMENT OF CHILDREN AND FAMILY SERVICES

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May 20, 2016

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From: Philip L. Browning
Director

B & I GROUP HOME FISCAL COMPLIANCE ASSESSMENT AND CONTRACT COMPLIANCE REVIEW

The Department of Children and Family Services (DCFS) Contracts Administration Division (CAD) conducted a Fiscal Compliance Assessment and Contract Compliance Review of B & I Group Home (the Group Home) in April and June 2015. The Group Home has two licensed offices located in the First Supervisorial District and provide services to the County of Los Angeles DCFS placed children and youth. According to the Group Home's Program Statement, its stated purpose is, "to meet the individual needs of the child, as well as the needs of the children as a collective group."

The Group Home has two 6-bed sites and is licensed to serve a capacity of 12 male youth, ages 13 through 17, and Non-Minor Dependents. At the time of the review, the Group Home served 12 DCFS placed youth. The placed children's overall average length of placement was seven months, and their average age was 17.

SUMMARY

CAD conducted a Fiscal Compliance Assessment which included an on-site review of the Group Home's financial records; such as financial statements, bank statements; check register; and personnel files to determine their compliance with the terms, conditions and requirements of Group Home Contract, the Auditor-Controller Contract Accounting and Administration Handbook (A-C Handbook) and other applicable federal, State and County regulations and guidelines.

The Group Home was in full compliance with 2 of 5 areas of the Fiscal Compliance Assessment: Loans, Advances and Investments, and Payroll and Personnel.

CAD noted deficiencies in the areas of: Financial Overview, related to non-timely submittal of Semi-Annual Expenditure Reports; Board of Directors and Business Influence, related to non-certification of the Board meeting minutes, Board Member composition not in compliance with the California Corporations Code, the Executive Director who is part owner of the Group Home facilities is also on the Board of Directors; and Cash/Expenditures, related to bank reconciliations not being prepared, signed, and dated on time, and the list of fixed assets not having all the required information.

During CAD's Contract Compliance Review, the interviewed children generally reported: feeling safe at the Group Home; having been provided with appropriate care and services; being comfortable in their placement environment; and being treated with respect and dignity.

The Group Home was in full compliance with 7 of 9 applicable areas of CAD's Contract Compliance Review: Facility and Environment; Maintenance of Required Documentation and Service Delivery; Health and Medical Needs; Personal Needs/Survival and Economic Well-Being; Discharged Children; and Personnel Records. The area of Psychotropic Medication was not applicable as none of the children selected for the sample were prescribed psychotropic medication at the time of the review.

CAD noted deficiencies in the areas of: Licensure/Contract Requirements, related to one Community Care Licensing (CCL) citation; Education and Workforce Readiness, related to age-appropriate children's participation in YDS or equivalent services; and Personal Rights and Social/Emotional Well-Being, related to the right to privacy of correspondence.

Attached are the details of CAD's review.

REVIEW OF REPORT

On April 8, 2015, Joe Jimenez Jr., DCFS CAD, held the Fiscal exit conference with the Group Home's representatives: Irene Kiuruwi, Executive Director; Redistard Kitilya, Chief Financial Officer; and William Mashingaidze, Accountant. On June 22, 2015, Maria Rosas, DCFS CAD, held the exit conference with the Group Home's representatives: Irene Kiuruwi, Executive Director; and Annise Williams, Program Administrator. The Group Home representatives agreed with the review findings and recommendations; were receptive to implementing systemic changes to improve the Group Home's compliance with regulatory standards; and were in agreement with addressing the noted deficiencies in a Corrective Action Plan (CAP) and Fiscal CAP (FCAP).

A copy of this report has been sent to the Auditor-Controller and CCL.

The Group Home provided the attached approved CAP addressing the recommendations noted in this compliance report. CAD conducted a follow-up visit to the Group Home on September 9, 2015, to verify implementation of the Compliance CAP. The Out-of-Home Care Management Division will provide ongoing technical support prior to the next review.

If you have any questions, your staff may contact me or Aldo Marin, Board Relations Manager, at (213) 351-5530.

PLB:KR
LTI:mr

Attachments

c: Sachi A. Hamai, Chief Executive Officer
John Naimo, Auditor-Controller
Calvin C. Remington, Interim Chief Probation Officer
Public Information Office
Audit Committee
Sybil Brand Commission
Irene Kiuruwi, Executive Director, B & I Group Home
Lajuannah Hills, Regional Manager, Community Care Licensing Division
Lenora Scott, Regional Manager, Community Care Licensing Division

**B & I GROUP HOME
FISCAL COMPLIANCE ASSESSMENT REVIEW
FISCAL YEAR 2014 – 2015**

SCOPE OF REVIEW

The Fiscal Compliance Assessment included a review of B & I Group Home's (the Group Home's) financial records for the period of January 1, 2013 through November 30, 2014. CAD reviewed the financial statements, bank statements, check register, and personnel files to determine the Group Home's compliance with the terms, conditions, and requirements of Group Home contract, the Auditor-Controller Contract Accounting and Administration Handbook (A-C Handbook) and other applicable federal, State and County regulations and guidelines.

The on-site Fiscal Compliance Assessment review focused on five key areas of internal controls:

- Financial Overview,
- Loans, Advances and Investments,
- Board of Directors and Business Influence,
- Cash/Expenditures, and
- Payroll and Personnel.

The Group Home was in full compliance with 2 of 5 areas of the Fiscal Compliance Assessment: Loans, Advances and Investments, and Payroll and Personnel.

FISCAL COMPLIANCE

CAD found the following three areas out of compliance:

Financial Overview

- The two Semi-Annual Expenditure Reports (SAER) for 2014 were submitted late.

The Group Home established procedures to submit future SAERs by the due dates and the SAERs for 2014 were submitted to CAD on May 31, 2015.

Recommendation:

The Group Home's management shall ensure that:

1. SAERs are submitted to DCFS timely.

Board of Directors and Business Influence

- The Board meeting minutes for three meetings in 2014 were not certified by the Board Secretary.

B & I GROUP HOME FISCAL COMPLIANCE ASSESSMENT
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The prior Board meeting minutes were revised to record their certification by the Board Secretary and re-submitted to CAD.

- More than 49 percent of the Board members are interested parties.

The composition of the Board of Directors was restructured to remove employees from the Board of Directors on April 26, 2015.

- The Executive Director is part owner of both locations of the Group Homes and serves on the Board of Directors.

The Executive Director resigned from the Board of Directors effective April 26, 2015.

Recommendations:

The Group Home's management shall ensure that:

2. Board meeting minutes are signed and certified by the Board Secretary.
3. The composition of the Board of Directors must not include more than 49 percent of interested parties.
4. The owners of any of the Group Home facilities do not serve on the organization's Board of Directors.

Cash/Expenditures

- Two bank reconciliations were prepared late and were not signed by the preparer and reviewer.

Bank reconciliations are now prepared timely and signed and dated by the preparer and reviewer.

- The Fixed Asset Inventory did not include the serial number, date of purchase, acquisition cost, and funding source.

The Fixed Asset Inventory was updated to include all required elements.

Recommendations:

The Group Home's management shall ensure that:

5. Bank reconciliations are prepared timely and are signed and dated by the preparer and reviewer.
6. The Fixed Asset Inventory include all required elements.

NEXT FISCAL COMPLIANCE ASSESSMENT

The next Fiscal Compliance Assessment of the Group Home will be conducted in County Fiscal Year 2015-2016.

**B & I GROUP HOME
CONTRACT COMPLIANCE REVIEW SUMMARY**

Alvarado Group Home
License # 197801988
Rate Classification Level: 11

San Francisco Group Home
License # 197803511
Rate Classification Level: 11

	Contract Compliance Review	Findings: June 2015
I	<u>Licensure/Contract Requirements</u> (9 Elements) <ol style="list-style-type: none"> 1. Timely Notification for Child's Relocation 2. Provided Children's Transportation Needs 3. Vehicles Maintained In Good Repair 4. Timely, Cross-Reported SIRs 5. Disaster Drills Conducted & Logs Maintained 6. Runaway Procedures 7. Comprehensive Monetary and Clothing Allowance Logs Maintained 8. Detailed Sign In/Out Logs for Placed Children 9. CCL Complaints on Safety/Plant Deficiencies 	<ol style="list-style-type: none"> 1. Full Compliance 2. Full Compliance 3. Full Compliance 4. Full Compliance 5. Full Compliance 6. Full Compliance 7. Full Compliance 8. Full Compliance 9. Improvement Needed
II	<u>Facility and Environment</u> (5 Elements) <ol style="list-style-type: none"> 1. Exterior Well Maintained 2. Common Areas Well Maintained 3. Children's Bedrooms Well Maintained 4. Sufficient Recreational Equipment/Educational Resources 5. Adequate Perishable and Non-Perishable Food 	Full Compliance (All)
III	<u>Maintenance of Required Documentation and Service Delivery</u> (10 Elements) <ol style="list-style-type: none"> 1. Child Population Consistent with Capacity and Program Statement 2. DCFS Children's Social Worker's Authorization to Implement NSPs 3. NSPs Implemented and Discussed with Staff 4. Children Progressing Toward Meeting NSP Case Goals 5. Therapeutic Services Received 6. Recommended Assessment /Evaluations Implemented 7. DCFS Children's Social Workers Monthly Contacts Documented 8. Children Assisted in Maintaining Important Relationships 9. Development of Timely, Comprehensive Initial NSPs with Child's Participation 10. Development of Timely, Comprehensive, Updated NSPs with Child's Participation 	Full Compliance (All)

B & I GROUP HOME CONTRACT COMPLIANCE REVIEW
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IV	<u>Education and Workforce Readiness</u> (5 Elements) <ol style="list-style-type: none"> 1. Children Enrolled in School Within Three School Days 2. Group Home Ensured Children Attended School and Facilitated in Meeting Their Educational Goals 3. Current Report Cards/Progress Reports Maintained 4. Children's Academic Performance and/or Attendance Increased 5. Group Home Encouraged Children's Participation in YDS or Equivalent Services and Vocational Programs 	<ol style="list-style-type: none"> 1. Full Compliance 2. Full Compliance 3. Full Compliance 4. Full Compliance 5. Improvement Needed
V	<u>Health and Medical Needs</u> (4 Elements) <ol style="list-style-type: none"> 1. Initial Medical Exams Conducted Timely 2. Follow-Up Medical Exams Conducted Timely 3. Initial Dental Exams Conducted Timely 4. Follow-Up Dental Exams Conducted Timely 	Full Compliance (All)
VI	<u>Psychotropic Medication</u> (2 Elements) <ol style="list-style-type: none"> 1. Current Court Authorization for Administration of Psychotropic Medication 2. Current Psychiatric Evaluation Review 	Full Compliance (All)
VII	<u>Personal Rights and Social/Emotional Well-Being</u> (13 Elements) <ol style="list-style-type: none"> 1. Children Informed of Group Home's Policies and Procedures 2. Children Feel Safe 3. Appropriate Staffing and Supervision 4. Group Home's Efforts to provide Nutritious Meals and Snacks 5. Staff Treat Children with Respect and Dignity 6. Appropriate Rewards and Discipline System 7. Children Allowed Private Visits, Calls and Correspondence 8. Children Free to Attend or Not Attend Religious Services/Activities 9. Children's Chores Reasonable 10. Children Informed About Their Medication and Right to Refuse Medication 11. Children Free to Receive or Reject Voluntary Medical, Dental and Psychiatric Care 12. Children Given Opportunities to Plan Activities in Extracurricular, Enrichment and Social Activities (Group Home, School, Community) 13. Children Given Opportunities to Participate in Extracurricular, Enrichment and Social Activities (Group Home, School, Community) 	<ol style="list-style-type: none"> 1. Full Compliance 2. Full Compliance 3. Full Compliance 4. Full Compliance 5. Full Compliance 6. Full Compliance 7. Improvement Needed 8. Full Compliance 9. Full Compliance 10. Full Compliance 11. Full Compliance 12. Full Compliance 13. Full Compliance

VIII	<u>Personal Needs/Survival and Economic Well-Being</u> (7 Elements) <ol style="list-style-type: none"> 1. \$50 Clothing Allowance 2. Adequate Quantity and Quality of Clothing Inventory 3. Children Involved in the Selection of Their Clothing 4. Provision of Clean Towels and Adequate Ethnic Personal Care Items 5. Minimum Monetary Allowances 6. Management of Allowance/Earnings 7. Encouragement and Assistance with a Life Book or Photo Album 	Full Compliance (All)
IX	<u>Discharged Children</u> (3 Elements) <ol style="list-style-type: none"> 1. Children Discharged According to Permanency Plan 2. Children Made Progress Toward NSP Goals 3. Attempts to Stabilize Children's Placement 	Full Compliance (All)
X	<u>Personnel Records</u> (7 Elements) <ol style="list-style-type: none"> 1. Federal Bureau of Investigation (FBI), California Department of Justice (DOJ), Child Abuse Central Index (CACI) Submitted Timely 2. Signed Criminal Background Statement Timely 3. Education/Experience Requirement 4. Employee Health Screening/TB Clearances Timely 5. Valid Driver's License 6. Signed Copies of Group Home Policies and Procedures 7. All Required Training 	Full Compliance (All)

**B & I GROUP HOME
CONTRACT COMPLIANCE REVIEW
FISCAL YEAR 2014-2015**

SCOPE OF REVIEW

The following report is based on a "point in time" review. This compliance report addresses findings noted during the June 2015 review. The purpose of this review was to assess B & I Group Home's (the Group Home's) compliance with its County contract and State regulations and included a review of the Group Home's Program Statement, as well as internal administrative policies and procedures. The compliance review covered the following 10 areas:

- Licensure/Contract Requirements,
- Facility and Environment,
- Maintenance of Required Documentation and Service Delivery,
- Educational and Workforce Readiness,
- Health and Medical Needs,
- Psychotropic Medication,
- Personal Rights and Social/Emotional Well-Being,
- Personal Needs/Survival and Economic Well-Being,
- Discharged Children, and
- Personnel Records.

For the purpose of this review, five placed children were selected for the sample. The Contracts Administration Division (CAD) interviewed each child and reviewed their case files to assess the care and services received. Additionally, three discharged children's files were reviewed to assess the Group Home's compliance with permanency efforts. At the time of the review, none of the children were prescribed psychotropic medication.

CAD reviewed four staff files for compliance with Title 22 Regulations and County contract requirements. Site visits were conducted to assess the quality of care and supervision provided to the placed children.

CONTRACTUAL COMPLIANCE

CAD found the following three areas out of compliance:

Licensure/Contract Requirements

- Community Care Licensing (CCL) citation.

CCL cited the Group Home on January 9, 2015. A staff member violated a child's personal rights. The Group Home's Plan of Correction (POC) required the staff to attend training and was cleared by CCL on January 16, 2015. The Department of Children and Family Services (DCFS) Emergency Response (ER) Children's Social Worker (CSW) investigated the complaint and deemed the allegation of general neglect as unfounded. The Out-of-Home Care Investigations Section (OHCIS) determined no further action was necessary and the case was closed. CAD conducted a follow-up visit on September 9, 2015, that included brief interviews with several boys at the Group Home. No concerns were reported.

Recommendation:

The Group Home's management shall ensure that:

1. The Group Home is in compliance with all Title 22 Regulations and free from CCL citations.

Education and Workforce Readiness

- The Group Home did not encourage a child's participation in Youth Development Services (YDS).

One youth interviewed during the review reported he was not enrolled in or receiving Independent Living Program (ILP) services, despite being age-appropriate and while other boys in the Group Home were receiving such services. During the review, when this issue was brought to the attention of management, immediate action was taken to refer this child to the ILP Program.

On the follow-up visit of September 9, 2015, the Group Home Executive Director provided a new tracking system to ensure that all boys who are age-appropriate are referred to ILP and key areas of independent living preparation are addressed at the Group Home with the children.

Recommendation:

The Group Home's management shall ensure that:

2. The children's participation in YDS is encouraged.

Personal Rights and Social/Emotional Well-Being

- A child was not allowed private correspondence.

One of the boys interviewed for the review stated that correspondence from his DCFS CSW addressed to him was opened by the Group Home staff before being given to him.

During the exit conference, the Group Home representatives acknowledged that this was an issue from the previous year's review that had been addressed with training for staff, although this was the first time they were being made aware of any subsequent issues. The Director immediately offered to post a sign in the office near the mail distribution point, reminding staff not to open the boys' mail. The boys would continue to be required to open their correspondence in front of staff to ensure that no prohibited items or substances were received via mail. At the follow-up visit on September 9, 2015, CAD verified that the sign was posted in the office near the mailbox.

Recommendation:

The Group Home's management shall ensure that:

3. The children are allowed private correspondence, unless otherwise specified in their Needs and Services Plan (NSP).

PRIOR YEAR FOLLOW-UP FROM DCFS CAD'S GROUP HOME CONTRACT COMPLIANCE REVIEW

CAD's last compliance report dated March 24, 2015, identified 23 recommendations.

Results:

Based on CAD's follow-up, the Group Home fully implemented 22 of the 23 recommendations for which they were to ensure that:

- Vehicles are maintained in good repair.
- Comprehensive monetary and clothing allowance logs are maintained.
- The common quarters of the Group Homes are well maintained.
- Children's bedrooms are well maintained.
- The recreational equipment is well maintained.
- The Group Home obtains or documents efforts to obtain the DCFS CSW's authorization to implement the NSPs.
- DCFS CSW's monthly contacts are documented.
- Initial NSPs include all required elements in accordance with the NSP template.
- Updated NSPs include all required elements in accordance with the NSP template.
- Children's grades and school attendance are increased and interventions to assist the children in improving school performance are provided.
- Initial dental exams are conducted timely.
- Follow-up dental exams are conducted timely.
- Current court authorization for the administration of psychotropic medication is obtained.
- Children under the care of a psychiatrist are seen monthly.
- The children are treated with respect and dignity.
- An appropriate rewards and discipline system is in place and reinforced.
- The children are encouraged and assisted with maintaining their Lifebooks.
- The children are discharged according to their permanency plans.
- The children make progress towards meeting their NSP goals.
- All staff background checks are completed timely and maintained in the file.
- All staff have valid driver's licenses on file.
- All staff complete the required training timely.

The Group Home did not implement 1 of 23 recommendations for which they were to ensure that:

- Children are allowed private correspondence, unless otherwise specified.

Recommendation:

4. The outstanding recommendation from the prior report noted in this report as recommendation number 3, is fully implemented.

At the exit conference held on June 22, 2015, the Group Home representatives expressed their desire to remain in compliance with all Title 22 Regulations and Contract requirements. CAD conducted a follow-up visit on September 9, 2015 and the Group Home had fully implemented all of the recommendations. The Out-of-Home Care Management Division will provide ongoing technical support and assistance, and CAD will continue to assess implementation of the recommendations during the next review.